

UNIFIED SCHOOL DISTRICT NO. 415

Hiawatha, Kansas

Financial Statements

For the Year Ended June 30, 2013

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UNIFIED SCHOOL DISTRICT NO. 415
Financial Statements
For the Year Ended June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 415
Hiawatha, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 415, Hiawatha, Kansas (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statement

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory cash receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds and the schedule of regulatory receipts, expenditures and unencumbered cash-private purpose trust funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas regulatory basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statement for the year ended June 30, 2012, from which such partial information was derived. In our report dated October 29, 2012, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas regulatory basis of accounting.

Other Reporting Required by Government Auditing Standards

In accordance with "Government Auditing Standards", we have also issued our report dated October 29, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the District's internal control over financial reporting and compliance.

Mize Houser & Company PA

October 29, 2013

UNIFIED SCHOOL DISTRICT NO. 415
Summary Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2013

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Governmental Fund Types:							
General Funds:							
General Fund	\$ -	\$ 234	\$ 6,268,919	\$ 6,268,919	\$ 234	\$ 109,239	\$ 109,473
Supplemental General	147,644	-	2,150,739	2,125,635	172,748	5,026	177,774
Special Purpose Funds:							
At Risk (K-12)	74,804	10	760,000	755,799	79,015	645	79,660
Capital Outlay	1,302,743	48	436,722	527,973	1,211,540	248,772	1,460,312
Driver Training	1,376	-	9,069	8,875	1,570	-	1,570
Food Service	133,348	733	508,983	509,016	134,048	30,634	164,682
Professional Development	60,000	-	41,394	51,394	50,000	2,447	52,447
Parent Education	10,000	-	-	8,300	1,700	-	1,700
Special Education	311,526	-	1,209,507	1,243,328	277,705	-	277,705
Vocational Education	38,767	1	282,392	282,959	38,201	3,288	41,489
KPERS Special Retirement							
Contribution	-	-	484,043	484,043	-	-	-
Gifts and Grants	68,111	-	70,183	54,211	84,083	5,039	89,122
Textbook Rental	96,481	-	85,138	87,127	94,492	38,945	133,437
Federal Funds	-	-	279,607	279,607	-	-	-
Student Materials Revolving	22,384	-	29,239	31,250	20,373	4,983	25,356
Contingency Reserve	500,000	-	-	-	500,000	-	500,000
District Activity	36,190	-	208,104	196,553	47,741	-	47,741
Debt Service Fund:							
Bond and Interest	717,245	-	609,623	599,950	726,918	-	726,918
Private Purpose Trusts	194,705	-	11,577	2,416	203,866	-	203,866
Total	\$ 3,715,324	\$ 1,026	\$ 13,445,239	\$ 13,517,355	\$ 3,644,234	\$ 449,018	\$ 4,093,252

Composition of Cash:

Morrill and Janes Bank		
Checking Account	\$ 205,411	
Money Market	3,095,507	
Savings Accounts	13,010	
Certificate of Deposit	<u>187,807</u>	3,501,735
Farmers State Bank		
Savings Accounts		25,647
Hiawatha National Bank		
Checking Accounts	\$ 22,180	
Certificate of Deposit	<u>537,500</u>	559,680
Citizens State Bank		
Checking Accounts	\$ 9,265	
Savings Account	322	
Certificate of Deposit	<u>42,970</u>	52,557
Cash Balance		4,139,619
Less: Agency Funds per Schedule 3		<u>[46,367]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 4,093,252</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 415 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$3,000 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2013:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Trust Fund – used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Fund - used to report assets held by the municipal reporting entity in a purely custodial capacity.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2013.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds: Textbook Rental, Student Materials Revolving, Contingency Reserve, Gate Receipts and School Projects

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Ad Valorem Tax Revenues

The determination of assessed valuations and collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2013, the District held no such investments.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's carrying amount of deposits was \$4,139,619 and the bank balance was \$4,733,115. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$578,204 was covered by federal depository insurance and the balance of \$4,154,911 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 2 - Deposits and Investments (Continued)

Substance receipt in transit. The District received \$362,258 in General State Aid and \$12,876 in Supplemental General State Aid subsequent to June 30, 2013 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2013.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District's long-term debt outstanding at June 30, 2013:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
G.O. 2005 Refunding Bonds	3/1/2005	3.00 to 3.60%	9/1/2018	<u>\$ 5,580,000</u>	<u>\$ 3,230,000</u>

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under applicable Kansas law which allows the issuance of bonded debt in excess of the general bonded debt limitation. The ratio of outstanding bonded debt to the assessed valuation as of June 30, 2013 was 3.88%.

Following is a summary of changes in long-term debt for the year ended June 30, 2013:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid Year Ended 6/30/2013</u>
G.O. Bonds To Be Paid With: Tax Levies					
2005 Refunding Bonds	<u>\$ 3,710,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 3,230,000</u>	<u>\$ 119,950</u>
Total	<u>\$ 3,710,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 3,230,000</u>	<u>\$ 119,950</u>

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2013-14	\$ 500,000	\$ 103,760	\$ 603,760
2014-15	525,000	86,348	611,348
2015-16	555,000	68,250	623,250
2016-17	585,000	48,578	633,578
2017-18	600,000	27,540	627,540
2018-19	<u>465,000</u>	<u>8,370</u>	<u>473,370</u>
Total	<u>\$ 3,230,000</u>	<u>\$ 342,845</u>	<u>\$ 3,572,845</u>

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 4 - Operating Lease

The District has leased four copiers with payments totaling \$31,096 during the current year and payments in future years as follows:

<u>Year</u>	<u>Amount</u>
2013 - 14	\$ 31,095
2014 - 15	<u>12,242</u>
Total	<u>\$ 43,337</u>

NOTE 5 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 145,000
General	Capital Outlay	K.S.A. 72-6428	3,086
General	Driver Training	K.S.A. 72-6428	2,169
General	Food Service	K.S.A. 72-6428	10,000
General	Professional Development	K.S.A. 72-6428	32,347
General	Special Education	K.S.A. 72-6428	969,507
General	Vocational Education	K.S.A. 72-6428	108,000
Supplemental General	Food Service	K.S.A. 72-6433	20,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	615,000
Supplemental General	Professional Development	K.S.A. 72-6433	8,547
Supplemental General	Special Education	K.S.A. 72-6433	240,000
Supplemental General	Vocational Education	K.S.A. 72-6433	115,000
Supplemental General	Textbook Rental	K.S.A. 72-6433	<u>70,000</u>
Total			<u>\$ 2,338,656</u>

NOTE 6 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS). KPERS is a part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-419 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2013, 2012, and 2011 were \$484,043, \$561,342, and \$326,409, respectively, equal to the required contributions for each year.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 7 - Compensated Absences

Most administrative and classified personnel employed on a twelve month full-time (32 hours per week) status are eligible for a paid two week vacation. Following the completion of ten years of employment, the employee is eligible for three weeks paid vacation. Only one week of unused vacation may be carried into the next year. A week is defined as five working days.

It is the District's policy to pay employees accrued vacation pay upon termination of employment. As of June 30, 2013, the liability for accrued vacation pay was \$12,146.

The District also has available sick leave for all. Employees accrue sick leave at the rate of fifteen (15) days per year, with the maximum accumulation of one hundred (100) days. Upon termination, employees are not paid for any accumulated sick leave.

NOTE 8 - Termination Benefits

The District also has a plan which covers personnel who are eligible to receive retirement benefits from either the Kansas Public Employees Retirement System or the Social Security Administration. To be eligible, the District must receive the employee's retirement resignation by February 15 of the year in which the retirement occurs. Classified employees will receive a onetime payment based on the number of years of service in the District, payable in a lump sum at the end of the school year. The amount of the compensation is determined as follows:

<u>Years of Service to the District</u>	<u>Classified Compensation</u>
15 Years	\$ 1,500
20 Years	1,750
25 Years	2,000
30 Years	2,250

The certified and administrative employees who retire under the plan are eligible to continue in the health insurance plan of the District as well as receive the District's contribution for the single health insurance policy, equal to the benefit given in the year of retirement, until the employee reaches age 65.

The amount paid by the District on behalf of the retirees during the year ended June 30, 2013, was \$125,441. The amount of the District's accrued contribution for the health insurance of retirees until age 65 is \$529,628 as of June 30, 2013.

The estimated cost of future early retirement program commitments, including health insurance and sick leave, is as follows:

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017 - 18</u>
Estimated Cost of Early Retirement Benefits	\$ 124,777	\$ 100,545	\$ 92,970	\$ 93,220	\$ 78,540

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2013

NOTE 9 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2013.

NOTE 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

UNIFIED SCHOOL DISTRICT NO. 415
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 6,459,738	\$ [193,819]	\$ 3,000	\$ 6,268,919	\$ 6,268,919	\$ -
Supplemental General	2,187,979	[62,344]	-	2,125,635	2,125,635	-
Special Purpose Funds:						
At Risk (K-12)	816,000	-	-	816,000	755,799	60,201
Capital Outlay	1,170,000	-	-	1,170,000	527,973	642,027
Driver Training	12,000	-	-	12,000	8,875	3,125
Food Service	551,500	-	-	551,500	509,016	42,484
Professional Development	60,000	-	-	60,000	51,394	8,606
Parent Education	10,000	-	-	10,000	8,300	1,700
Special Education	1,360,975	-	-	1,360,975	1,243,328	117,647
Vocational Education	296,750	-	-	296,750	282,959	13,791
KPERS Special Retirement Contribution	523,802	-	-	523,802	484,043	39,759
Gifts and Grants	138,950	-	-	138,950	54,211	84,739
Federal Funds	279,607	-	-	279,607	279,607	-
Debt Service Fund:						
Bond and Interest	599,950	-	-	599,950	599,950	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,476,505	\$ 1,485,338	\$ 1,424,972	\$ 60,366
Delinquent taxes	11,967	18,971	18,887	84
State Aid:				
Equalization aid	3,722,318	3,792,103	3,960,291	[168,188]
Special education aid	961,103	969,507	1,055,588	[86,081]
Federal aid	2,737	-	-	-
Reimbursement	-	3,000	-	3,000
Transfer in	14,000	-	-	-
Total Cash Receipts	<u>6,188,630</u>	<u>6,268,919</u>	<u>\$ 6,459,738</u>	<u>\$ [190,819]</u>
Expenditures				
Instruction	2,919,653	2,938,155	\$ 2,991,238	\$ 53,083
Student support services	256,010	296,786	263,050	[33,736]
Instructional support services	301,687	277,747	310,450	32,703
General administration	279,372	236,982	288,100	51,118
School administration	605,259	629,320	623,175	[6,145]
Operations and maintenance	12,160	13,241	14,525	1,284
Other support services	227,259	216,624	235,000	18,376
Transportation	340,671	389,955	364,200	[25,755]
Transfers out	1,246,559	1,270,109	1,370,000	99,891
Adjustments to comply with legal max	-	-	[193,819]	[193,819]
Adjustment for qualifying budget credit	-	-	3,000	3,000
Total Expenditures	<u>6,188,630</u>	<u>6,268,919</u>	<u>\$ 6,268,919</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Prior year cancelled encumbrances	-	234		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 234</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Supplemental General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,753,409	\$1,747,561	\$ 1,842,438	\$ [94,877]
Delinquent taxes	17,350	26,721	22,395	4,326
Motor vehicle tax	127,164	134,312	144,822	[10,510]
Recreational vehicle tax	2,303	2,180	2,308	[128]
State aid	<u>220,884</u>	<u>239,965</u>	<u>250,130</u>	<u>[10,165]</u>
Total Cash Receipts	<u>2,121,110</u>	<u>2,150,739</u>	<u>\$ 2,262,093</u>	<u>\$ [111,354]</u>
Expenditures				
Operations and maintenance	945,723	1,057,088	\$ 982,979	\$ [74,109]
Transfers out	1,181,508	1,068,547	1,205,000	136,453
Adjustments to comply with legal max	<u>-</u>	<u>-</u>	<u>[62,344]</u>	<u>[62,344]</u>
Total Expenditures	<u>2,127,231</u>	<u>2,125,635</u>	<u>\$ 2,125,635</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[6,121]	25,104		
Unencumbered Cash, Beginning	<u>153,765</u>	<u>147,644</u>		
Unencumbered Cash, Ending	<u>\$ 147,644</u>	<u>\$ 172,748</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
At Risk (K-12) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 744,000	\$ 760,000	\$ 815,000	\$ [55,000]
Total Cash Receipts	<u>744,000</u>	<u>760,000</u>	<u>\$ 815,000</u>	<u>\$ [55,000]</u>
Expenditures				
Instruction	743,951	754,621	\$ 816,000	\$ 61,379
Student support services	-	1,178	-	[1,178]
Total Expenditures	<u>743,951</u>	<u>755,799</u>	<u>\$ 816,000</u>	<u>\$ 60,201</u>
Receipts Over [Under] Expenditures	49	4,201		
Unencumbered Cash, Beginning	73,294	74,804		
Prior year cancelled encumbrances	<u>1,461</u>	<u>10</u>		
Unencumbered Cash, Ending	<u>\$ 74,804</u>	<u>\$ 79,015</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Capital Outlay Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 318,149	\$ 319,813	\$ 305,004	\$ 14,809
Delinquent taxes	3,358	5,031	4,054	977
Motor vehicle tax	24,481	25,305	27,173	[1,868]
Recreational vehicle tax	443	410	433	[23]
Investment income	36,172	27,359	30,000	[2,641]
Miscellaneous	95,587	55,718	-	55,718
State aid	-	-	70,000	[70,000]
Transfer in	199,786	3,086	-	3,086
Total Cash Receipts	<u>677,976</u>	<u>436,722</u>	<u>\$ 436,664</u>	<u>\$ 58</u>
Expenditures				
Property and equipment - instruction	217,572	197,133	\$ 225,000	\$ 27,867
Property and equipment - student support services	1,600	-	3,000	3,000
Property and equipment - instructional support staff	6,226	3,427	7,000	3,573
Property and equipment - other support services	5,765	-	3,000	3,000
Property and equipment - school administration	-	10,472	3,000	[7,472]
Property and equipment - general administration	19,747	6,384	10,000	3,616
Property and equipment - transportation	2,971	2,661	85,000	82,339
Operations and maintenance	67,427	21,123	50,000	28,877
Site improvement services	56,224	20,854	375,000	354,146
Site acquisition services	35,289	-	-	-
Architectural and engineering services	817	5,945	5,000	[945]
Building repair and remodeling	262,257	259,974	404,000	144,026
Total Expenditures	<u>675,895</u>	<u>527,973</u>	<u>\$ 1,170,000</u>	<u>\$ 642,027</u>
Receipts Over [Under] Expenditures	2,081	[91,251]		
Unencumbered Cash, Beginning	1,300,662	1,302,743		
Prior year cancelled encumbrances	<u>-</u>	<u>48</u>		
Unencumbered Cash, Ending	<u>\$ 1,302,743</u>	<u>\$ 1,211,540</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Driver Training Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Charges for services	\$ 7,350	\$ 6,900	\$ 12,000	\$ [5,100]
Transfer in	-	2,169	-	2,169
Total Cash Receipts	<u>7,350</u>	<u>9,069</u>	<u>\$ 12,000</u>	<u>\$ [2,931]</u>
Expenditures				
Instruction	7,350	8,175	\$ 12,000	\$ 3,825
Operation and maintenance	-	700	-	[700]
Transfer out	14,000	-	-	-
Total Expenditures	<u>21,350</u>	<u>8,875</u>	<u>\$ 12,000</u>	<u>\$ 3,125</u>
Receipts Over [Under] Expenditures	[14,000]	194		
Unencumbered Cash, Beginning	<u>15,376</u>	<u>1,376</u>		
Unencumbered Cash, Ending	<u>\$ 1,376</u>	<u>\$ 1,570</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Food Service Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Federal aid	\$ 283,516	\$ 304,678	\$ 269,889	\$ 34,789
State aid	7,190	5,210	4,717	493
Charges for services	173,086	169,095	167,457	1,638
Miscellaneous	710	-	800	[800]
Transfers in	<u>5,671</u>	<u>30,000</u>	<u>84,000</u>	<u>[54,000]</u>
Total Cash Receipts	<u>470,173</u>	<u>508,983</u>	<u>\$ 526,863</u>	<u>\$ [17,880]</u>
Expenditures				
Food service operation	466,662	505,958	\$ 551,500	\$ 45,542
Operations and maintenance	<u>2,476</u>	<u>3,058</u>	<u>-</u>	<u>[3,058]</u>
Total Expenditures	<u>469,138</u>	<u>509,016</u>	<u>\$ 551,500</u>	<u>\$ 42,484</u>
Receipts Over [Under] Expenditures	1,035	[33]		
Unencumbered Cash, Beginning	132,304	133,348		
Prior year cancelled encumbrances	<u>9</u>	<u>733</u>		
Unencumbered Cash, Ending	<u>\$ 133,348</u>	<u>\$ 134,048</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Professional Development Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 39,528	\$ 40,894	\$ 60,000	\$ [19,106]
Federal aid	-	500	-	500
Total Cash Receipts	<u>39,528</u>	<u>41,394</u>	<u>\$ 60,000</u>	<u>\$ [18,606]</u>
Expenditures				
Instructional support services	<u>39,528</u>	<u>51,394</u>	<u>\$ 60,000</u>	<u>\$ 8,606</u>
Total Expenditures	<u>39,528</u>	<u>51,394</u>	<u>\$ 60,000</u>	<u>\$ 8,606</u>
Receipts Over [Under] Expenditures	-	[10,000]		
Unencumbered Cash, Beginning	<u>60,000</u>	<u>60,000</u>		
Unencumbered Cash, Ending	<u>\$ 60,000</u>	<u>\$ 50,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Parent Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 8,300	\$ -	\$ 10,000	\$ [10,000]
Total Cash Receipts	<u>8,300</u>	<u>-</u>	<u>\$ 10,000</u>	<u>\$ [10,000]</u>
Expenditures				
Student support services	<u>8,300</u>	<u>8,300</u>	<u>\$ 10,000</u>	<u>\$ 1,700</u>
Total Expenditures	<u>8,300</u>	<u>8,300</u>	<u>\$ 10,000</u>	<u>\$ 1,700</u>
Receipts Over [Under] Expenditures	-	[8,300]		
Unencumbered Cash, Beginning	<u>10,000</u>	<u>10,000</u>		
Unencumbered Cash, Ending	<u>\$ 10,000</u>	<u>\$ 1,700</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Special Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 1,156,103	\$ 1,209,507	\$ 1,356,000	\$ [146,493]
Total Cash Receipts	<u>1,156,103</u>	<u>1,209,507</u>	<u>\$ 1,356,000</u>	<u>\$ [146,493]</u>
Expenditures				
Instruction	1,268,730	1,240,025	\$ 1,356,600	\$ 116,575
Operations and maintenance	<u>3,257</u>	<u>3,303</u>	<u>4,375</u>	<u>1,072</u>
Total Expenditures	<u>1,271,987</u>	<u>1,243,328</u>	<u>\$ 1,360,975</u>	<u>\$ 117,647</u>
Receipts Over [Under] Expenditures	[115,884]	[33,821]		
Unencumbered Cash, Beginning	425,905	311,526		
Prior year cancelled encumbrances	<u>1,505</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 311,526</u>	<u>\$ 277,705</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Vocational Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Miscellaneous	\$ 820	\$ 690	\$ 900	\$ [210]
Federal aid	48,287	45,858	54,000	[8,142]
State aid	-	12,844	-	12,844
Transfers in	<u>206,000</u>	<u>223,000</u>	<u>230,000</u>	<u>[7,000]</u>
Total Cash Receipts	<u>255,107</u>	<u>282,392</u>	<u>\$ 284,900</u>	<u>\$ [2,508]</u>
Expenditures				
Instruction	233,248	254,522	\$ 277,750	\$ 23,228
Instructional support services	14,486	12,976	16,000	3,024
Transportation	-	13,169	-	[13,169]
Support services	<u>2,414</u>	<u>2,292</u>	<u>3,000</u>	<u>708</u>
Total Expenditures	<u>250,148</u>	<u>282,959</u>	<u>\$ 296,750</u>	<u>\$ 13,791</u>
Receipts Over [Under] Expenditures	4,959	[567]		
Unencumbered Cash, Beginning	33,784	38,767		
Prior year cancelled encumbrances	<u>24</u>	<u>1</u>		
Unencumbered Cash, Ending	<u>\$ 38,767</u>	<u>\$ 38,201</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
KPERs Special Retirement Contribution Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
State aid	\$ 561,342	\$ 484,043	\$ 523,802	\$ [39,759]
Total Cash Receipts	<u>561,342</u>	<u>484,043</u>	<u>\$ 523,802</u>	<u>\$ [39,759]</u>
Expenditures				
Instruction	352,169	298,429	\$ 363,802	\$ 65,373
Student support services	20,336	18,593	17,000	[1,593]
Instructional support services	24,319	20,795	17,000	[3,795]
General administration	22,864	20,195	17,000	[3,195]
School administration	52,913	47,870	40,000	[7,870]
Other supplemental services	20,990	17,625	15,000	[2,625]
Operations and maintenance	39,119	35,640	30,000	[5,640]
Student transportation services	14,323	11,545	12,000	455
Food service	14,309	13,351	12,000	[1,351]
Total Expenditures	<u>561,342</u>	<u>484,043</u>	<u>\$ 523,802</u>	<u>\$ 39,759</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Gifts and Grants Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Contributions and donations	\$ 70,242	\$ 51,426	\$ 125,000	\$ [73,574]
Investment income	518	273	-	273
Federal aid	21,837	18,484	-	18,484
Total Cash Receipts	<u>92,597</u>	<u>70,183</u>	<u>\$ 125,000</u>	<u>\$ [54,817]</u>
Expenditures				
Instruction	64,738	39,392	\$ 99,700	\$ 60,308
Student support services	24,425	3,810	33,500	29,690
Instructional support services	1,582	2,111	3,000	889
General administration	1,519	1,366	1,750	384
Operations and maintenance	-	7,039	-	[7,039]
Transportation	50	493	1,000	507
Total Expenditures	<u>92,314</u>	<u>54,211</u>	<u>\$ 138,950</u>	<u>\$ 84,739</u>
Receipts Over [Under] Expenditures	283	15,972		
Unencumbered Cash, Beginning	<u>67,828</u>	<u>68,111</u>		
Unencumbered Cash, Ending	<u>\$ 68,111</u>	<u>\$ 84,083</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Textbook Rental Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 15,060	\$ 15,138
Transfers in	<u>68,680</u>	<u>70,000</u>
Total Cash Receipts	<u>83,740</u>	<u>85,138</u>
Expenditures		
Instruction	<u>83,753</u>	<u>87,127</u>
Total Expenditures	<u>83,753</u>	<u>87,127</u>
Receipts Over [Under] Expenditures	[13]	[1,989]
Unencumbered Cash, Beginning	<u>96,494</u>	<u>96,481</u>
Unencumbered Cash, Ending	<u>\$ 96,481</u>	<u>\$ 94,492</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Federal Funds
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013

	Teacher <u>Quality</u>	<u>Title I</u>	Rural & Low Income Schools <u>Grant</u>	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Cash Receipts						
Federal aid	\$ 57,940	\$ 198,393	\$ 23,274	\$ 279,607	\$ 279,607	\$ -
Total Cash Receipts	<u>57,940</u>	<u>198,393</u>	<u>23,274</u>	<u>279,607</u>	<u>\$ 279,607</u>	<u>\$ -</u>
Expenditures						
Instruction	57,940	198,393	23,274	279,607	\$ 279,607	\$ -
Total Expenditures	<u>57,940</u>	<u>198,393</u>	<u>23,274</u>	<u>279,607</u>	<u>\$ 279,607</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-	-	-		
Unencumbered Cash, Beginning	-	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Student Materials Revolving Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 31,453	\$ 29,239
Total Cash Receipts	<u>31,453</u>	<u>29,239</u>
Expenditures		
Instruction	31,853	28,904
Instructional support services	<u>882</u>	<u>2,346</u>
Total Expenditures	<u>32,735</u>	<u>31,250</u>
Receipts Over [Under] Expenditures	[1,282]	[2,011]
Unencumbered Cash, Beginning	23,363	22,384
Prior year cancelled encumbrances	<u>303</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 22,384</u>	<u>\$ 20,373</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Contingency Reserve Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2013 and 2012

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	21,750	-
General administration	1,930	-
School administration	9,357	-
Operations and maintenance	16,963	-
Total Expenditures	50,000	-
Receipts Over [Under] Expenditures	[50,000]	-
Unencumbered Cash, Beginning	550,000	500,000
Unencumbered Cash, Ending	\$ 500,000	\$ 500,000

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Bond and Interest Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2013
(With Comparative Actual Amounts for the Year Ended June 30, 2012)

	Prior Year	Current Year		Variance Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 558,880	\$ 554,622	\$ 526,095	\$ 28,527
Delinquent taxes	6,514	9,238	7,111	2,127
Motor vehicle tax	46,716	45,033	48,291	[3,258]
Recreational vehicle tax	843	730	770	[40]
Total Cash Receipts	<u>612,953</u>	<u>609,623</u>	<u>\$ 582,267</u>	<u>\$ 27,356</u>
Expenditures				
Principal	450,000	480,000	\$ 480,000	\$ -
Interest	134,140	119,950	119,950	-
Total Expenditures	<u>584,140</u>	<u>599,950</u>	<u>\$ 599,950</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	28,813	9,673		
Unencumbered Cash, Beginning	<u>688,432</u>	<u>717,245</u>		
Unencumbered Cash, Ending	<u>\$ 717,245</u>	<u>\$ 726,918</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2013

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
MIDDLE SCHOOL FUNDS				
Student Council	\$ 4,757	\$ 9,548	\$ 11,688	\$ 2,617
Student Incentives & Rewards	<u>1,657</u>	<u>8,338</u>	<u>8,264</u>	<u>1,731</u>
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>6,414</u>	<u>17,886</u>	<u>19,952</u>	<u>4,348</u>
HIGH SCHOOL FUNDS				
Red Hawk Bank	7,186	10,524	11,494	6,216
Art Club	59	246	14	291
BPA	1,784	3,292	3,043	2,033
Cheerleaders	1,185	8,141	5,749	3,577
Class of '12	39	-	39	-
Class of '13	365	1,067	1,424	8
Class of '14	21	11,225	11,227	19
Class of '15	4	34	-	38
Class of '16	-	35	-	35
Flags	186	1,002	1,012	176
Red Hawk Store	1,573	7,301	6,268	2,606
Dance Team	1,378	2,202	2,665	915
FFA	7,738	21,637	21,482	7,893
FHA (FCCLA)	329	588	917	-
Forensics	7	300	304	3
Kays	147	2,212	2,087	272
Biology Club	334	1,659	281	1,712
Weightroom	439	-	-	439
Readers Club	140	66	81	125
National Honor Society	331	290	365	256
Red Hawks	24	797	698	123
Scholars Bowl	324	680	600	404
International Club	878	88	171	795
Student Council	[7]	13,780	13,527	246
Basketball	-	3,811	3,769	42
Cross Country	1	2,394	2,067	328
Softball	502	-	32	470
Football	670	3,008	2,186	1,492
Volleyball	1,984	1,999	2,140	1,843
Wrestling	53	-	-	53
Track	105	-	105	-
Powerlifting	289	195	340	144
Music/Vocal	392	2,934	2,920	406
Musical/Instrumental	2,895	29,270	28,132	4,033
Pep Bus	-	1,467	478	989
Integration	<u>4,037</u>	<u>-</u>	<u>-</u>	<u>4,037</u>
TOTAL HIGH SCHOOL ACTIVITY FUNDS	<u>35,392</u>	<u>132,244</u>	<u>125,617</u>	<u>42,019</u>
DISTRICT				
Petty Cash	<u>24</u>	<u>-</u>	<u>24</u>	<u>-</u>
TOTAL DISTRICT	<u>24</u>	<u>-</u>	<u>24</u>	<u>-</u>
TOTAL STUDENT ORGANIZATION FUNDS	<u>\$ 41,830</u>	<u>\$ 150,130</u>	<u>\$ 145,593</u>	<u>\$ 46,367</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2013

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
Middle School	\$ 6,508	\$ -	\$ 13,402	\$ 13,630	\$ 6,280	\$ -	\$ 6,280
High School	11,076	-	144,473	137,484	18,065	-	18,065
Total Gate Receipts	17,584	-	157,875	151,114	24,345	-	24,345
<u>School Projects:</u>							
Hiawatha Elementary							
Miscellaneous	113	-	3,227	3,206	134	-	134
Pictures	8,597	-	1,598	1,073	9,122	-	9,122
Taxes	20	-	103	115	8	-	8
Petty cash	207	-	-	207	-	-	-
Total Hiawatha Elementary	8,937	-	4,928	4,601	9,264	-	9,264
Hiawatha Middle School							
School wide	847	-	2,677	2,045	1,479	-	1,479
School pictures	3,583	-	-	-	3,583	-	3,583
Yearbook	206	-	2,841	2,782	265	-	265
Miscellaneous	160	-	-	-	160	-	160
Book orders	-	-	153	153	-	-	-
Dispensers	11	-	-	-	11	-	11
Sales tax	90	-	2,009	1,771	328	-	328
Total Hiawatha Middle School	4,897	-	7,680	6,751	5,826	-	5,826
High School							
All school play	2,558	-	5,608	6,160	2,006	-	2,006
Sales Tax	87	-	12,000	11,986	101	-	101
Yearbook	1,197	-	6,865	2,733	5,329	-	5,329
Miscellaneous	115	-	3,870	3,972	13	-	13
Drivers Ed	-	-	6,670	6,670	-	-	-
PSAT	3	-	263	263	3	-	3
ACT Prep Class	640	-	340	321	659	-	659
PLAN Test	172	-	338	315	195	-	195
Weightlifting	-	-	1,667	1,667	-	-	-
Total High School	4,772	-	37,621	34,087	8,306	-	8,306
Total School Projects	18,606	-	50,229	45,439	23,396	-	23,396
Total District Activity Funds	\$ 36,190	\$ -	\$ 208,104	\$ 196,553	\$ 47,741	\$ -	\$ 47,741

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Private Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2013

<u>FUND</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Radke scholarship	\$ 66	\$ -	\$ -	\$ 66	\$ -	\$ -	\$ -
Cox scholarship	1,056	-	6	50	1,012	-	1,012
Crow memorial	2,426	-	15	-	2,441	-	2,441
Kidwell memorial	4,014	-	14	-	4,028	-	4,028
Elliott scholarship	1,955	-	12	300	1,667	-	1,667
Schilling scholarship	1,373	-	9	-	1,382	-	1,382
Ruth scholarship	<u>183,815</u>	<u>-</u>	<u>11,521</u>	<u>2,000</u>	<u>193,336</u>	<u>-</u>	<u>193,336</u>
Total Private Purpose Trust Funds	<u>\$ 194,705</u>	<u>\$ -</u>	<u>\$ 11,577</u>	<u>\$ 2,416</u>	<u>\$ 203,866</u>	<u>\$ -</u>	<u>\$ 203,866</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed through Kansas					
Department of Education (KSDE):					
Title I	84.010	\$ -	\$ 198,393	\$ 198,393	\$ -
Title II-A Teacher Quality	84.367	-	58,440	58,440	-
Program Improvement	84.048	-	45,858	45,858	-
Rural Education	84.358	-	23,274	23,274	-
Total Department of Education					
Passed Through KSDE		-	325,965	325,965	-
U.S. Department of the Interior					
Indian Education Assistance to Schools	15.130	-	18,484	18,484	-
Total Department of the Interior		-	18,484	18,484	-
U.S. Department of Agriculture					
Passed through Kansas					
Department of Education (KSDE):					
School Breakfast	10.553	-	66,656	66,656	-
National School Lunch Program	10.555	-	221,773	221,773	-
Summer Food Service	10.559	-	3,183	3,183	-
State Administrative Expenses for Child Nutrition	10.560	-	1,200	1,200	-
Team Nutrition Grants	10.574	-	295	295	-
Fresh Fruits & Vegetables	10.582	-	11,571	11,571	-
Total Department of Agriculture					
Passed Through KSDE		-	304,678	304,678	-
Total		\$ -	\$ 649,127	\$ 649,127	\$ -

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 415. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas statutory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse - GAAP
Unmodified - Prescribed Basis

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

84.010	Title I Cluster
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Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
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Auditee qualified as low-risk auditee? X Yes _____ No

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

Board of Education
Unified School District No. 415
Hiawatha, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting, the financial statements of the Unified School District No. 415, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 29, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated October 29, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mize Houser & Company PA

October 29, 2013



MIZE & HOUSER
COMPANY_{PA.}

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Unified School District No. 415
Hiawatha, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 415, (the District) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Kansas Municipal Audit and Accounting Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charge with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mike Houser: Company PA

October 29, 2013